

SEC VS S. Paul Kelly
CASE NO. 2:14-CV-02827-SRC-CLW

(1)

7/31/19

To: HON. Stanley R Chesler U.S.D.J.

From: Shawn A. Becker Defendant

First of All I want to Apologize for this being Written out & NOT Typed I HAVE health conditions that don't Allow me At the present time to leave the house AND have someone type it. I Am 60 years old with multiple health problems BACK, Knees, Shoulders, Heart, Sleep deprivation VASCULAR problems in Legs All of which keep me from getting A Regular Job. I can barely function AND make it through A day. I have NO Income right At the moment AND its getting Increasingly hard to borrow money AS I ALREADY owe 1.8 million to Friends AND Family AND with income dwindeling Im one foot out the door from being homeless. Im Embarrassed to say I HAVE NO SAVINGS What soever NO IRA's 401Ks NOTHING I currently have 228⁰⁰ in the BANK NO Credit or Credit CARDS AND NO Other Way to get money AND ON Top of it Im caring for A one year old AND my Special Needs 16 yr. old. Thats The Reason I stay in the house Im occupying for help with the baby & my 16 year olds school

(21)

My Biggest Regret WAS Trusting & Doing busive with the Kelly Group I trusted them AND WAS used by them AND WAS NEVER A PART OF the Group. I WAS the ONLY ONE that ENDED up with Nothing because they were Selling me there Stock when I WAS buying more for the Long term because I thought they were. I made A mistake but more Then paid for it. I'll NEVER make that much money Again. Im Broke And in poor health AND cant make enough money to Live on without borrowing Even based on my Past Income thats Declining theres Noway I could Come Close to paying the 5 Plus million the SEC WANTS plus my 1.8 mill in Debt. I would Have to make 14 mill pre TAX to Ever PAY. I dont have the means or skills to do that Even If I paid them 50k per year it would take 100 plus years to pay it AND At the rate Im going I wont Live 5 more years if I dont get over certian things. The ONLY way I could make that much money is to do what I USED to do. AND I cant do that. I Dont Understand when Im in Financial Ruin & have nothing but 228⁰⁰ & Noway to make it. What purpose

(3)

Does putting a \$5.5 mill Judgement I CANT PAY do to Anyone. Its pretty much going to Seal my fate because no one will hire me to Any Large position with that over HANGING my head. The Stress of this is Killing me wondering how Im going to take care of my one year old + 16 year old Special Needs Kids. Theres has to be a more Reasonable way to handle then to give me a fine I CANT PAY AND put me on the Street. I have no other Skills or Training I Just know the Market. I have No College Degree AND 60 years old whos going to hire me AND Pay me 14 mill Pre TAX to take care of my Debts

- AS TO the SECs Claim that I never disputed the Amount of Disgorement I did From Day one I was the only one Despite getting Stock that Lost Money Because I was NOT Part of that Group AND had A different Agenda I was buying personally AND turns out they were Selling it to me. My Attorney That I dont Use has that info AND is Currently Looking for it. I Did Lose money thats why I have No FUNDS to PAY it BACK!

(4)

- Claim 2 made by SEC

Squandered or hid the money,
I got Taken By the Kelly group And
Lied to. AND The SEC Found No Record
Of me moving money Anywhere because
I didn't.

My Financial Statement does Present my
whole Financial Condition AND can
be documented. The only Reason there
Income Figures differ is for the Simple
Fact that I used 43 months they used
29 months AND the reason I did that
was because it was based on the
info they Requested. The Bottom line
is that I've had to borrow money
Every month No matter how much
I've made if I didn't Borrow money
I ~~could~~ Couldn't make Ends meet. My
Income has dried up & haven't had much
Since March maybe 10K Total & if it
wasn't for people helping me I would
be on the Street. I make No where
Near enough to make the (14) mill I would
have to make pre tax to pay The SEC
& my Debts & Live. I've continued to
cut my Expenses ~~by~~ Another 5K AND
Still Have to borrow money to Live

(5)

I have cut my Expenses from 19,200 to 13,900 (See Exhibit C) The SEC talks About my Expenses being Extravagant but I cut them from 29K when it started to 19K AND Now to 13,900. The Mercedes the harp on At 150 was Bot before this Started Actually Leased AND there was No way to get Rid of it Without Still Owning Money on it AND having to pay Anyway. So when lease was up I turned it in AND my Friend who runs the Dealership Resold it to my Brother because I had no credit AND Knocked 20K off price taking 1500 off my payment the lease was 2800 now 1300 + I only owe 25K on it. The House I live in is pretty standard for the Area it By no means A Nice house I have to Live there in that Area so my Special Needs Daughter to Attend + Because of my back I cant do Any yard or house work. I dont Live Extravagantly I dont travel or Do Anything for myself All money is Spent on Necessities AND my Kids. I Also have A One year old I take care of. The SEC wants me to pay them but doesnt want me to Spend Money to Make it through my business. I currently cant do that AND Thats why my Income has dropped way off.

(6)

I had to Drop Client Entertainment from 3500 to 1500 And my Girlfriend legal went Away of 1500 And 1K in loans went Away because I quit Paying them. Half ~~OR~~ more of my Expenses Are House 3K - Ins med + car 2K - child care 3300 Which includes 2300 for Child Support 1600 CARS 650 Scripts + copays I have Almost 17K Just in things I have to pay. I don't know when I still have to borrow money to live where the SEC thinks I'm going to be able to cut to pay them. I just cut them by \$2000 AND still have to borrow money to live AND that's getting more difficult to do. In fact I cannot borrow from my Father anymore As my Step Mother is divorcing him because he lent me money AND I didn't tell her. I can't make the money I made because I don't have the money to spend on Networking And Entertainment that's why I've had no income or ver- little since March so Even if I could cut 3K more I couldn't because I have no income & would have to borrow to pay SEC AND nobody will lend me money for that With NO Income

(7)

Even if I could Pay them 30k per year if I had that much Extra, It would take me 166 years to pay the 5 mill they WANT AND I would have to make 10 mill pre tax to do that AND that doesn't include the other 1.8 mill I owe people that they WANT BACK Enclosed A couple of Notes, I had more that I gave the SEC Along time Ago. I can Verify they WANT there money back they didn't give it to me AND SAY Keep it. I get Bugged By Someone EVERY WEEK About what I owe them Even if its 5K.

PAGE 7 SEC Response I Don't See why it matters that the Person I owe 699K to made 50 mill because of me he still WANTS it BACK RE Exhibit D

The SEC's claim that I borrowed from my Father Against my Inheritance is false I never said that At the Debtors Exam I said he wanted It back, I don't get Anything when he passes my Step mother gets it ALL AND I don't get Anything From my Mother Either AS we are on the outs AND I told them that At the Debtors Exam AND my Step mother WANTS it BACK All 590K The only Inheritance I Received WAS 40K from Stepfather

(8)

CONCLUSION: I don't Live in an Extravagant house it Normal for this Area Probably bordering on the Lower End Actually they wrap on A Mercedes that I Leased Before This Started & had no way to get out From under AND is 6 1/2 years old & I only owe 25k its cheaper to keep then to come up with CASH AND I have no credit My Brother OWNS it, My credit is Destroyed the SEC has seen that The Loans I owe people they want paid back & can Be verified, I didn't Borrow Against my Inheritance I have none I didn't Understate my Income I Just Averaged it out over 43 month instead of the 29 months they use, My Future income is Not Guaranteed As of March of this year To ~~Date~~ I have had very little income AND my Ability to borrow was Almost Dried up. If I had the money AND could pay it I would whether I was right or wrong, I Shouldn't have Signed the Deal because there were many things that were coincidental that I had no intention of doing I WAS Used By the Kelly Group & Made No money

(9)

As I've said I have 228⁰⁰ As of today to my Name. No Assets of Any Kind or inheritance, Very Little Income and Borrowing has Dried up. I don't have A college degree & have no other Skills Multiple health problem Back, heart, Blood pressure Shoulders Knees, Stomach, Vascular you name it I've got it And it makes it difficult to get through A day AND I owe 1.8 mill on top of what the SEC wants. I have nothing hidden no Income to pay that much or the Ability to do so. I'm financially Ruined AND don't see why Piling on More disgorgement or Penalties is going to help Anyone. Especially When I can never pay it it will Just make it increasingly difficult to take care of my Baby & special needs kid & my own health problems that hinder my Ability to make money. There has to Be A better way I think I've more than paid in the state I'm in now with no Future I Just want to get By take care of my kids & live out my life None of this was done with the intent to take money from Anyone.

THANKS 